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United Nations Development Programme

# RIGHT NOW...

## UNDP in Lao PDR





# UNDP IN LAO PDR

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UNDP has been working in Laos for more than forty years, **sharing experiences** from other countries and *helping the Government find its own solutions* to global and national development challenges. UNDP's approach focuses on **developing national capabilities**, both institutional and individual. It seeks to *expand opportunities* for people's participation in their **own development**, to **empower women** and to promote the '*shared sense of responsibility*' referred to in the Millennium Declaration.

Over the past few years, strong economic growth has been achieved in the Lao PDR, poverty has declined, and the country is integrating increasingly into the international architecture. While there has been much remarkable progress, there is also a need to achieve much more. Poverty remains widespread, inequalities are growing, environmental degradation continues and high rates of maternal mortality and child malnutrition call for urgent action. Capacity strengthening for national development planning and implementation is a key UNDP strength and a core element of UNDP's strong partnership with the Government. UNDP operates within the framework of the national goals defined by the Government to achieve meaningful improvements in the lives of all Lao citizens.



Looking forward, UNDP's work will focus on **supporting the Government of the Lao PDR to achieve its economic, social, environment and governance goals**, and graduate from Least Developed Country status by 2020. Key issues will include: *mitigating the effects of the global financial crisis*; promoting equitable growth and **reducing poverty**; meeting the obligations of the **Oslo Convention on Cluster Munitions**; capacity development for *good governance and service delivery*; and, promoting measures to achieve **environmental sustainability**.

# Promoting Inclusive Growth: Poverty Reduction

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A central objective of UNDP in the Lao PDR is to promote sustainable economic growth with equity. To achieve this, UNDP works with different partners in support of MDG-based national policy, planning and monitoring processes which focus on the poorest and most vulnerable groups of the country. Aid coordination and effectiveness are critical components of this effort.

UNDP cooperates closely with the Ministry of Foreign Affairs and the Ministry of Planning and Investment to promote MDG-based costing, planning, and monitoring. This involves support to the formulation and implementation of the Government's Five-Year National Socio-Economic Development Plans (NSED). In 2008, UNDP facilitated a consultative process for the mid-term review of the sixth plan and it will help coordinate a similar process for the formulation of the Seventh plan starting in 2009. UNDP, with other UN agencies and partners, will advise and support the Government and sector working groups to ensure that this plan accelerates progress towards the national goals, including the MDGs.

Jointly with UN agencies such as UNIDO, UNCTAD and ITC, UNDP is a partner of the government in its efforts to participate more actively in the regional and global economy in a way that benefits the poor. In 2008, this partnership led to the establishment of a national implementation unit within the Ministry of Industry and Commerce to coordinate all trade-related assistance. It also led to the formulation of a national decree that will govern the operations of Business Membership Organizations in the country to promote private sector growth and organizations such as the Lao National Chamber of Commerce and Industry.

Making sure that international aid is properly coordinated, aligned with national priorities, and effectively delivered is at the core of the Round Table process managed by the Government with UNDP support. The development dialogue facilitated through this process and its eight sector working groups continued to improve in 2008. High-level seminars were held on critical issues such as natural resources management, helping to build consensus on the most pressing challenges faced by the country. There is now growing recognition of the need to address the impact of the global financial crisis and to ensure optimal use of natural resource flows for investments in the social sectors and human resources. Implementation of the Vientiane Declaration on Aid Effectiveness is monitored through an annual review meeting.

# Working for a Sustainable Future:

## Environmental development

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With over 70% of the Lao population, and the national economy, highly dependent on the natural resource base of the country, achieving the MDGs in the Lao PDR is closely linked to environmental health and the sustainability of natural resource use and management.

In 2008, the United Nations Environment Programme (UNEP) and UNDP developed a comprehensive Strategy in response to some key national environment issues. This Strategy aims to strengthen environmental governance, improve ecosystem management and address the challenges of climate change.

Within the Environment Strategy, an ambitious Poverty-Environment Initiative is being rolled out at national and provincial levels. Its objective is to make sure that the critical relationship between environment and poverty reduction will be taken into account in the development of the next National Socio Economic Development Plan and in the management of foreign direct investment; to strengthen social and environment impact assessments; and, to increase knowledge and awareness of National Assembly members on the importance of sustainable development.

Climate change, increasingly high on the international development agenda, will have the most immediate effect on the poorest people, including those least able to recover from climate-related stresses such as droughts, flooding, and changing conditions for crop and livestock production. In 2008 the Lao Government created a National Steering Committee, assisted by a Climate Change Office, to oversee the management of this important issue. In partnership with other organizations and donors, UNDP and UNEP support the Climate Change Office to develop a comprehensive multi-sector climate change strategy, finalize a National Adaptation Programme of Action to Climate Change, develop the Second National Communication of Lao PDR to the United Nations Framework Convention on Climate Change, and ensure that Senior Officials are briefed effectively in preparation for key negotiations.

In 2008, the Government approved the implementation of the GEF Small Grants Programme in the Lao PDR. This presents new opportunities to work with civil society on the identification and implementation of local solutions to global environment problems.

## Good Governance: Promoting people's participation

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Good governance is central to the achievement of the Millennium Development Goals. It is about improving the way individuals, institutions and processes operate to become more responsive to people's needs and contribute to economic growth, poverty alleviation and the realization of fundamental rights. UNDP supports the comprehensive governance agenda formulated by the Lao government in 2003, building partnerships and sharing ways to promote participation, accountability and effectiveness at all levels.

Through the Governance and Public Administration Reforms (GPAR) programme, UNDP works with the Public Administration and Civil Service Authority (PACSA) and provincial offices to develop the capacity of Lao civil servants and administrations to deliver effective public services. One Door Service Centres in several parts of the country, for instance, make it easier for ordinary citizens to obtain official papers and permits. As part of GPAR, a National Civil Service Management framework is being developed to ensure that all civil servants have a standard set of core values, skills and competencies.

UNDP is a long-standing partner of the Lao National Assembly, and now joins with other UN agencies to help the Assembly become a more active, effective and open forum for debates and discussions. Through inter-session workshops, legislators and their staff are well informed about the laws they review and about critical issues relevant to the fight against poverty, such as the potential impact of the global economic crisis.

To promote people's participation, UNDP shares experiences from other countries on how civil society, civil society organizations and community radios can contribute to achieve the MDGs. Such experiences have been taken into account by the Government for a new decree governing local associations.

The government and UNDP are jointly working on an ambitious reform agenda to enable the Lao PDR to fully become a rule-of-law state. As part of this, Laos is integrating into the international treaty framework. In 2008, the 60th Anniversary of the Universal Declaration of Human Rights was marked with high-level celebrations and a series of new treaties were ratified. UNDP also works with the Lao Bar Association to provide better access to legal services to the poor.

In cooperation with the United Nations Capital Development Fund (UNCDF) and other partners, UNDP makes resources available to more than 20 districts throughout the country for small infrastructure projects that contribute to the reduction of poverty. In line with the principles of the Vientiane Declaration on Aid Effectiveness, these funds are channelled through the Government's own planning, implementation and financial systems. Support and training ensure that these systems can effectively manage the resources made available.

## Crisis Prevention and Recovery: Reducing the impacts of UXO

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More than thirty years after the Indochina conflict ended, cluster munitions and unexploded ordnance (UXO) kill or injure one person almost every day in the Lao PDR, threatening people's livelihoods and food security across the country. Substantial UXO clearance is a pre-condition to the country's socio-economic development and to achieving the MDGs.

For thirteen years, UNDP and UNICEF have worked with the Government and partners to develop a national programme to clear the country of UXO and protect affected populations. In 2008, the global movement to ban cluster munitions gave this effort new impetus through a new Convention, which the Lao Government was among the first to sign and ratify. Clearance of high priority land continued with the introduction of new techniques and technologies to increase productivity. UXO Lao, the national UXO clearance agency, cleared 2,650 hectares of land, of which 254 hectares was in direct support of 19 development projects. However, increased donor support will be required to fully implement the obligations of the Cluster Munitions Convention and provide the victims with the assistance they need.

While cluster munitions are a man-made disaster, the country also suffers natural disasters. In 2008, it was affected by the most severe floods in living memory. UNDP provided immediate assistance and supported a quick impact and needs assessment. The objective of UNDP has long been to build the capacity of the government and local authorities to prevent and manage natural disasters. In this context, a capacity assessment of the National Disaster Management Office (NDMO) was completed, and national consultations held to formulate a national disaster management plan. Their outcomes will be used by UNDP to strengthen its capacity development programme in support of NDMO.





*In the Lao PDR, over 70% of the population is highly dependent on the natural resource base of the country.*

## UNDP ACTIVITIES IN LAO PDR - 2007 - 2009

Theme	Total US\$ Millions*	Donor Partners
Good Governance	\$12.5	Australia (AusAid), European Commission, Global Environment Facility (GEF), Finland, France,
Crisis Prevention, Recovery and UXO	\$17.0	Germany, Ireland, Luxembourg, Netherlands Development Organization (SNV), New Zealand, Poland, Sweden (SIDA), Switzerland (SDC), United Kingdom, United Nations Volunteers, UNDP Governance Thematic Trust Fund, UNDP Poverty Reduction Trust Fund, Window II.
Poverty Reduction and Sustainable Development	\$9.1	
Total	\$38.6	<i>*Estimates</i>



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